



Agricultural Marketing Service

Fruit and Vegetable Programs

FARM BILL/BONUS/STIMULUS PURCHASES

Dave Tuckwiller

Chief, FV Programs CPB

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2002 FARM BILL

- **SEC. 10603. PURCHASE OF SPECIALTY CROPS**

- **GENERAL PURCHASE AUTHORITY** – Of the funds made available under Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) for fiscal year 2002 and each subsequent fiscal year, the Secretary of Agriculture shall use not less than \$200,000,000 each fiscal year to purchase fruits, vegetables, and other specialty crops.





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2008 Farm Bill

- SEC. 4404. SECTION 32 FUNDS FOR PURCHASE OF FRUITS, VEGETABLES, AND NUTS TO SUPPORT DOMESTIC NUTRITION ASSISTANCE PROGRAMS
 - FUNDING FOR ADDITIONAL PURCHASES OF FRUITS, VEGETABLES, AND NUTS – In addition to the purchases of fruits, vegetables, and nuts required by section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c-4), the Secretary of Agriculture shall purchase fruits, vegetables, and nuts for the purpose of providing nutritious foods for use in domestic nutrition assistance programs, using, of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), the following amounts:





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2008 Farm Bill

- \$190,000,000 for fiscal year 2008
- \$193,000,000 for fiscal year 2009
- \$199,000,000 for fiscal year 2010
- \$203,000,000 for fiscal year 2011
- \$206,000,000 for fiscal year 2012 and each fiscal year thereafter.





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Farm Bill Formula

Entitlement Section 32 Purchases +

Bonus Section 32 Purchases +

Additional Purchases (if necessary) \geq

Amount Required

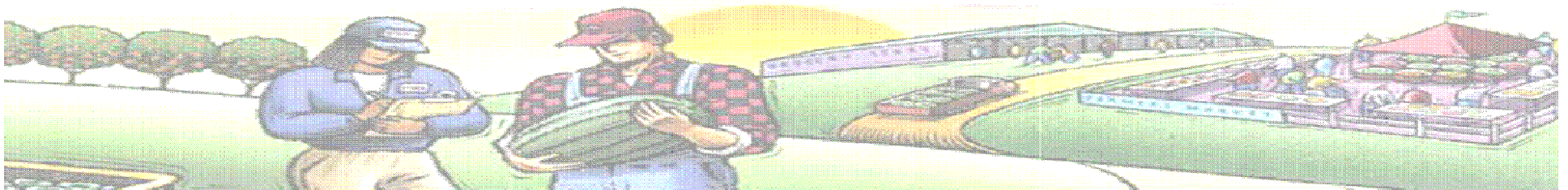




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Farm Bill - Fiscal Year 2008

- Farm Bill was signed in July
- Few bonus purchases
- Made additional purchases of \$180.8 million to meet the requirement of \$390 million





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Farm Bill - Fiscal Year 2009

- Anticipated low bonus amounts
- Made some additional purchases early in the fiscal year
- Economy began to affect agriculture
- Bonus requests and approvals resulted in no additional purchases necessary





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Farm Bill - Fiscal Year 2010

- Bonus requests and approvals may continue
- Few additional purchases early in the fiscal year
- We'll determine if additional purchases will be made about this time next year

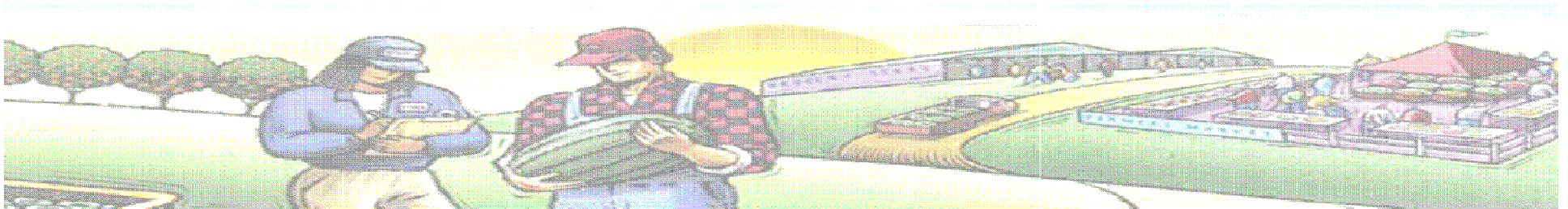




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Bonus Purchases

- Bonus purchases over the past few years
 - 2005: \$141.5 million
 - 2006: \$63.7 million
 - 2007: \$57.8 million
 - 2008: \$35.1 million

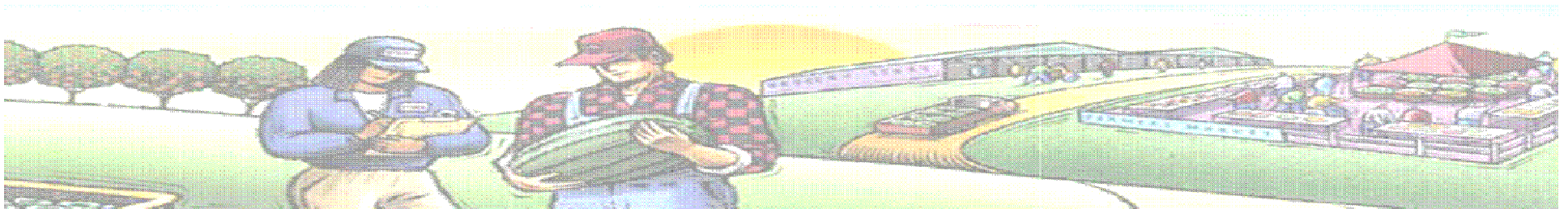




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Bonus Purchases

- FY 2009 Approved Bonus
 - Orange Juice: \$30 million
 - Walnuts: \$29.7 million
 - Great Northern Beans: \$25 million
 - Processed Apple Products: \$16.3 million

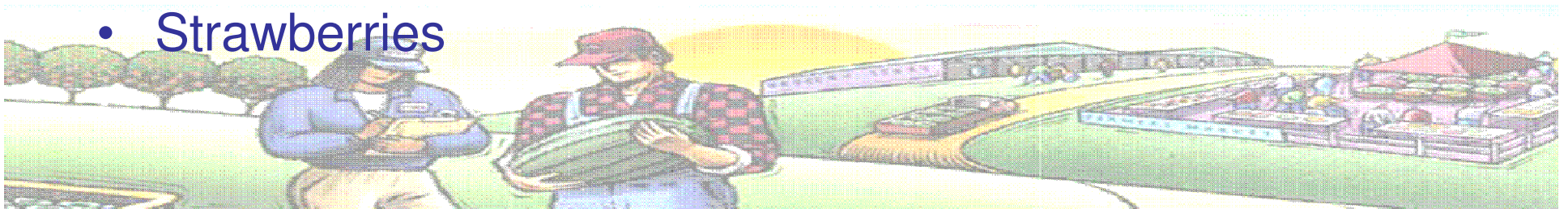




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Bonus Requests

- Asparagus
- Fresh Tomatoes
- Freestone Peaches
- Peanuts
- Fresh Apples
- Blueberries
- Concord Grape Juice
- Cherries
- Fresh Pears
- Strawberries



Bonus Issue

- 2008 Farm Bill placed a cap on Section 32 funds
- 2009 Omnibus decreased the cap further
- Unprecedented bonus requests received





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Bonus Issue

- Result
 - Entitlement purchases will be made
 - Few Farm Bill purchases will be made
 - Approved bonus purchases will be made
 - Few additional bonus requests are in the approval process
 - Remaining and additional bonus requests will be denied due to lack of funding





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Stimulus Purchases

- American Recovery and Reinvestment Act of 2009 provided funding to purchase additional products for distribution to TEFAP
- Made purchases of applesauce, mixed fruit, and peaches

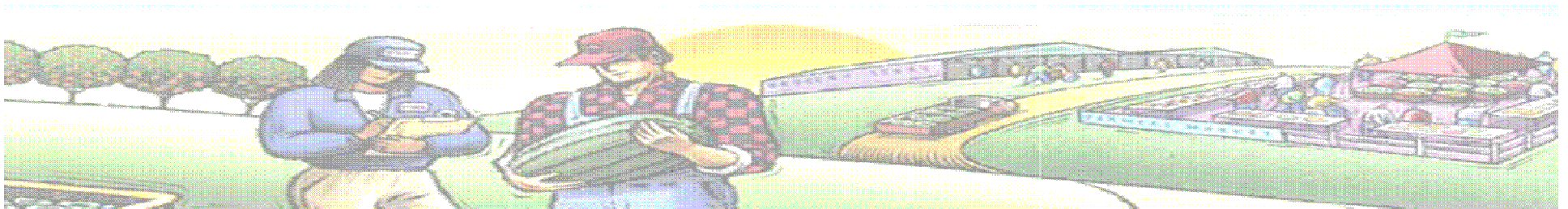




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Stimulus Purchases

- \$11.8 million spent on these products
- Notice to the Trade – identified special reporting requirements for those that receive contracts





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Support to Food Banks

- FY 2007 – 203.9 million pounds of fruits and vegetables valued at \$87.6 million
- FY 2008 - 310.3 million pounds of fruits and vegetables valued at \$168.3 million
- FY 2009 - 227.7 million pounds of fruit and vegetable products valued at \$131.5 million

